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V_b=Applicable volume under paragraph (c)(1) of this section.

V_a=Averaging period gasoline volume.

S_b=Small refiner sulfur baseline as determined under §80.250.

AF=Adjustment factor (120 in 2004; 90 in 2005; and 30 in 2006 and thereafter).

- (3) The small refiner average standards under paragraph (a) of this section may be met using sulfur allotments or credits as provided under §80.275 or §80.315.
- (4) The provisions for compliance deficits under §80.205(e) do not apply to small refiners subject to the standards under this section.
- (d) In the case of any refiner with small refiner status who generates sulfur allotments or credits pursuant to §80.275(a) or §80.305, the baseline applicable to that refiner's refinery for purposes of establishing the standard for the refinery under paragraph (a) of this section beginning in 2004 shall be the lowest annual average sulfur content for any year during the period in which the refiner generated allotments or credits.

§ 80.245 How does a small refiner apply for a sulfur baseline?

- (a) Any refiner seeking small refiner status must apply for a refinery sulfur baseline by the deadline under §80.235 for each of the refiner's refineries by providing the following information:
- (1) A sulfur baseline and baseline volume for every refinery calculated in accordance with § 80.250.
- (2) The following information for each batch of gasoline produced in 1997–1998:
- (i) Batch number assigned to the batch under \$80.65(d) or \$80.101(i);
 - (ii) Volume; and
 - (iii) Sulfur content.
- (3) For any refiner who acquires a refinery after January 1, 1999, or reactivates a refinery that was shut down or non-operational between January 1, 1998, and January 1, 1999, the average sulfur level and average volume of gasoline produced during each year the refinery was in operation after the refinery was acquired or reactivated. Where appropriate, the baseline sulfur level and volume for such refineries will be determined based on the annual aver-

age for the most recent year of operation.

(b) The sulfur baseline application must be submitted to the address specified in §80.235(b).

§ 80.250 How is the small refiner sulfur baseline and volume determined?

(a)(1) The small refiner baseline volume is determined for each refinery as follows:

$$V_b = \frac{\sum_{i=1}^{n} (V_i)}{2}$$

Where:

V_B=Baseline volume.

V_I=Volume of gasoline batch i.

n=Total number of batches of gasoline produced from January 1, 1997, through December 31, 1998.

i=Individual batch of gasoline produced from January 1, 1997, through December 31, 1998.

(2) The small refiner sulfur baseline is determined for each refinery as follows:

$$S_b = \frac{\sum_{i=1}^{n} (V_i \times S_i)}{\sum_{i=1}^{n} V_i}$$

Where:

 S_b =Small refiner sulfur baseline.

V_i=Volume of gasoline batch i.

S_i=Sulfur content of batch i.

n=Total number of batches of gasoline produced from January 1, 1997, through December 31, 1998.

i=Individual batch of gasoline produced from January 1, 1997, through December 31, 1998.

(b) Foreign refiners who do not have an approved refinery baseline under §80.94 must follow the procedures specified in §80.410(b).

(c) If at any time a small refinery baseline is determined to be incorrect, the corrected baseline applies ab initio and the annual average standards and cap standards are deemed to be those applicable under the corrected information.